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BEFORE THE ARIZONA CORPORATION COMMISSION Arizona Corporation Commission

**DOCKETED**

**JAN 29 1999**

JAMES M. IRVIN  
Chairman  
CARL J. KUNASEK  
Commissioner  
TONY WEST  
Commissioner

DOCKETED BY

Cfw

IN THE MATTER OF COMPETITION  
IN THE PROVISION OF ELECTRIC  
SERVICES THROUGHOUT THE STATE  
OF ARIZONA

Docket No. RE-00000C-94-0165

**TRICO ELECTRIC COOPERATIVE,  
INC.'S RECOMMENDED RULES  
CHANGES**

TRICO ELECTRIC COOPERATIVE, INC. ("Trico") submits these recommendations for changes to the Electric Utilities Rules (A.A.C. R14-2-201, *et seq.*) and to the Retail Electric Competition Rules (A.A.C. R14-2-1601, *et seq.*). In accordance with the Chief Hearing Officer's Procedural Order, specific language additions and deletions are set forth in the affected Sections or subsections of such Rules unless the recommendation is to delete the entire Rule or Section.

Trico agrees with the comments of Arizona Electric Power Cooperative, Inc. ("AEPCO") as set forth in the first six pages of its Comments and incorporates them herein by reference thereto, including the Comments set forth in Exhibit B pertaining to Rule 1610. Attached hereto in Appendix A are Trico's specific comments on such Rules.

1 RESPECTFULLY SUBMITTED January 28, 1999.

2 O'CONNOR CAVANAGH MOLLOY JONES

3  
4 By: *Russell E. Jones*  
5 Russell E. Jones  
6 D. Michael Mandig  
7 Attorneys for Trico Electric Cooperative, Inc.

8 Original and 10 copies of the foregoing  
9 document filed this 29 day of  
January, 1999, with

10 Docket Control  
11 Arizona Corporation Commission  
12 1200 W. Washington  
13 Phoenix, Arizona 85007

14 Copy of the foregoing document mailed  
15 this 28 day of January, 1999, to:

16 Distribution list for  
17 Docket No. RE-00000C-94-0165

18 *Carol Watson*

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## APPENDIX A

### ARTICLE 16. RETAIL ELECTRIC COMPETITION

~~R14-2-1609. Solar Portfolio Standard~~

~~R14-2-1610~~ R14-2-1609. Transmission and Distribution Access

~~R14-2-1611~~ R14-2-1610. In-state Reciprocity

~~R14-2-1612~~ R14-2-1611. Rates

~~R14-2-1613~~ R14-2-1612. Service Quality, Consumer Protection, Safety and Billing Requirements.

~~R14-2-1614~~ R14-2-1613. Reporting Requirements

~~R14-2-1615~~ R14-2-1614. Administrative Requirements

R14-2-1615. Cross-Subsidization Prohibited

R14-2-1616. Code of Conduct

~~R14-2-1616. Separation of Monopoly and Competitive Service~~

~~R14-2-1617. Affiliate Transactions~~

~~R14-2-1618. Disclosure of Information~~

## R14-2-209. Meter Reading

A. ...

~~6. Where the Electric Service Provider is responsible for meter reading, reads will be available for the Utility Distribution Company's or billing entity's billing cycle for that customer, or as otherwise agreed upon by the electric Service Provider and the Utility Distribution Company or billing entity.~~

<b>Comment No. 1</b>	Metering, meter reading, billing and collection have historically been considered part of distribution services as distinguished from generation and transmission service, the two other fundamental functions of electric public service corporations. These four services should not be made competitive and should be excluded from the definition of Competition Services.
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~~76.~~ In the event the customer fails to submit the reading on time, the Utility or billing entry may issue the customer an estimated bill.

~~8. In the event the Electric Service Provider responsible for meter reading fails to deliver reads to the Meter Reader Service Provider server within 3 days of the scheduled cycle read date, the Affected Utility may estimate the reads.~~

~~98.~~ Meters shall be read monthly on as close to the same day as practical.

<b>Comment No. 2</b>	See Comment No. 1
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## C. Meter rereads

1. Each Utility or Meter Reading Service Provider shall at the request of a customer, or the customer's ~~Electric Service Provider~~, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity reread that customer's meter within 10 working days after such a request.
2. Any reread may be charged to the customer, or the customer's ~~Electric Service Provider~~, Utility Distribution Company (as defined in A.A.C. R14-2-1601 (or billing entity at a rate on file and approved by the Commission, provided that the original reading was not in error.

3. When a reading is found to be in error, the reread shall be at no charge to the customer, or the customer's ~~Electric Service Provider~~, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity.

<b>Comment No. 3</b>	See Comment No. 1.
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**F. Request for meter tests**

~~A Utility or Meter Service Provider shall test a meter upon the request of the customer, or the customer's Electric Service Provider, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity request, and each utility or billing entity shall be authorized to charge the customer, or the customer's Electric Service Provider, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity for such meter test according to the tariff on file and approved by the Commission. However, if the meter is found to be in error by more than 3%, no meter testing fee will be charged to the customer, or the customer's Electric Service Provider, Utility Distribution Company or billing entity. Requests for meter tests shall be governed by the provisions of A.A.C. R14-2-1613.K.1.~~

<b>Comment No. 4</b>	See Comment No. 1. The reference to A.A.C. R14-2-1613.K.1 is to the existing subsection 1613.K.2 but has been changed herein because Trico has requested deleting existing 1613.K.1.
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**R14-2-210. Billing and collection**

...

B. ...

2. ...

- i. The address and telephone numbers of ~~the Electric Service Provider, and/or~~ the Utility Distribution Company designating where the customer may initiate an inquiry or complaint concerning the bill or services rendered;

<b>Comment No. 5</b>	See Comment No. 1.
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...

- k. Other Unbundled rates and charges except for Standard Offer services.

...

<b>Comment No. 6</b>	Unbundled rates and charges are only significant in Competitive Rates; they are meaningless in connection with Standard Offer rates. The Commission should be interested in relieving many burdens as are practicable so long as competition for Competitive Services is reasonably preserved. Otherwise, with additional burdens and costs the cost of electricity to the consumer must rise.
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E. Meter error corrections

1. The utility or Meter Service Provider shall test a meter upon customer or the customer's ~~Electric Service Provider~~, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity request and each utility or billing entity shall be authorized to charge the customer for such meter test according to the tariff on file approved by the Commission. However, if the meter is found to be in error by more than 3%, in error, either fast or slow, the correction of previous bills will be made under the following terms allowing the utility or billing entity to recover or refund the difference:

<b>Comment No. 7</b>	See Comment No. 1.
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...

- ~~3. Any underbilling resulting from a stopped or slow meter, utility or Meter Reading Service Provider meter reading error, or a billing calculation shall be limited to 3 months for residential customers and 6 months for non residential customers. However if an underbilling by the utility occurs due to inaccurate, false or estimated information from a 3<sup>rd</sup> party, then that utility will have a right to back bill that 3<sup>rd</sup> party, then that utility will have a right to back fill that 3<sup>rd</sup> party to the point in time that may be definitely fixed, or 12 months. No such limitation will apply to overbillings.~~

<b>Comment No. 8</b>	This subsection places a time limitation on the commencement of a civil action to enforce a constitutional right to bring suit to collect damages. Article XV of the Arizona Constitution gives the Commission no power to
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	prescribe statutes of limitations. Such statutes can be enacted only by the Legislature in the exercise of its legislative power pursuant to Article IV of the Constitution. The subsection, therefore, is invalid.
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## ARTICLE 16. RETAIL ELECTRIC COMPETITION

### R14-2-1601. Definitions

...

6. "Competitive Services" means the retail sale of electricity obtained from the generation of electricity from generators at any location whether owned by the provider of Competitive Services or purchased from another generator or wholesaler of electric generation except Standard Offer service.

<b>Comment No. 9</b>	See Comment No. 1.
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...

13. "Distribution Service" means the delivery of electricity to a retail consumer through wires, transformers, and other devices that are not classified as transmission services subject to the jurisdiction of the Federal Energy Regulatory Commission; Distribution Service ~~excludes~~ includes Metering Service, Meter Reading Services, and billing and collection services, as those terms are used herein.

<b>Comment No. 10</b>	See Comment No. 1.
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...

14. "Electric Service Provider" (ESP) means a company supplying, marketing, or brokering at retail ~~any of the competitive services described in R14-2-1605 or R14-2-1606,~~ Competitive Services pursuant to a Certificate of Convenience and Necessity.

<b>Comment No. 11</b>	See Comment No. 1.
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...

24. "Meter Reading Service Provider" (MRSP) means ~~an entity~~ a Utility Distribution Company providing Meter Reading Service, as that term is defined herein and that reads meter, performs validation, editing, and estimation on raw meter data to create billing-ready meter data; translates billing-ready data to an approved format; posts this data to a server for retrieval by billing agents; manages the server; exchanges data with market participants; and stores meter data for problem resolution.
25. "Meter Service Provider" (MSP) means ~~an entity~~ a Utility Distribution Company providing Metering Service, as that term is defined herein.
- ...
29. "Noncompetitive Services" means ~~distribution services, Standard Offer service, transmission and Federal Energy Regulatory Commission required ancillary services, and those aspects of metering service set forth in R14 2 1613.K. All components of Standard Offer service shall be deemed noncompetitive as long as those components are provided in a bundled transaction pursuant to R14 2-1606(A)~~ all aspects of retail electric service except Competitive Services.

<b>Comment No. 12.</b>	See Comment No. 1.
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- ...
39. "Stranded Costs" ~~includes~~ means:

- a. ...
- i. The value of all the prudent jurisdictional assets and obligations necessary to furnish electricity (~~such as generating plants, purchased power contracts, fuel contracts, and regulatory assets~~), acquired ~~or entered into prior to December 26, 1996,~~ under traditional regulation of Affected Utilities; and

<b>Comment No. 13.</b>	Stranded Costs should not be restricted to Stranded Costs as to generation assets only. Nor should the time when the Stranded Costs are incurred be limited to any artificial date, such as December 26, 1996.
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- ...
- b. As to those Affected utilities voluntarily electing divestiture, the Reasonable reasonable costs necessarily incurred by an such Affected Utility Utilities to effectuate such divestiture of its generation assets and reasonable employee severance and retaining costs necessitated by electric competition, where not otherwise provided.
- e. ~~Reasonable employee severance and retaining costs necessitated by electric competition, where not otherwise provided.~~

<b>Comment No. 14.</b>	The Commission has no jurisdiction to command that any public service corporation divest itself of any of its assets that are not hazardous to the public. The Commission derives its powers and jurisdiction from Article XV of the Arizona Constitution. There is nothing in Article XV that gives the Commission jurisdiction to mandate divestiture. The Courts have long held that a mandate to a public service company to divest itself of assets is taking of the property without just compensation in violation of the due process clauses of the United States and state constitutions. An Affected Utility may voluntarily elect to divest itself of its generation assets as a manner in determining the amount of its Stranded Costs.
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- ...
43. "Unbundled Service" means ~~electric service elements provided and~~ Generation, Transmission (and Ancillary as defined by FERC) and Distribution Service priced separately. ~~Including but not limited to, such service elements as generation, transmission, distribution, metering, meter reading, billing and collection and ancillary services.~~ Unbundled Generation Service may be sold to consumers or to other Electric Service Providers.

<b>Comment No. 15.</b>	See Comment No. 1.
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...

### R14-2-1603. Certificates of Convenience and Necessity

- A. Any Electric Service Provider intending to supply ~~services described in R14-2-1605 or R14-2-1606~~ Competitive Services, other than services subject to federal jurisdiction, shall obtain a Certificate of Convenience and Necessity from the Commission pursuant to this Article. A Certificate is not required to offer ~~information services, or billing and collection services, or~~ self-aggregation. However, aggregators as defined in R14-2-1601 are required to obtain a Certificate of Convenience and Necessity and Self-Aggregators are required to negotiate a Service Acquisition Agreement consistent with subsection G(6). An Affected Utility need not apply for a Certificate of Convenience and Necessity to continue to provide electric service. ~~in its service area during the transition period set forth in R14-2-1604. An Affected utility providing distribution and Standard Offer service after January 1, 2001, need not apply for a Certificate of Convenience and Necessity. All other Affected utility affiliates created in compliance with R14-2-1616(A) shall be required to apply for appropriate Certificates of Convenience and Necessity.~~

<b>Comment No. 16.</b>	See Comment No. 1. This subsection should be amended to make it absolutely clear that an AU has the right under its existing CC&N to provide electric service and is not required to obtain a CC&N under this Rule.
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- B. ...
- ~~1. A description of the electric services which the applicant intends to offer.~~
  1. The proper name and correct address of the applicant, and  
...
  2. A tariff for ~~each~~ the service to be provided that states the maximum rate and terms and conditions that will apply to the provision of the service;
- [Following subparagraphs 3-7 renumbered to 2-6.]

<b>Comment No. 17.</b>	See Comment No. 1.
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...

- D. ...

7. As a public service corporation the Electric Service Provider shall be subject to the continuing jurisdiction of the Commission.

<b>Comment No. 18.</b>	Every public service corporation doing business in Arizona is subject to the Commission's jurisdiction. An Electric Service Provider is a PSC. This should be made extremely clear in the Rules.
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**R14-2-1604. Competitive Phases**

...

A. ...

3. ~~Affected Utilities shall notify customers eligible under this subsection of the terms of the subsection no later than October 31, 1998.~~

<b>Comment No. 19.</b>	This matter is now moot.
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...

B. ...

2. ~~Each Affected Utility shall file a residential phase in program proposal to the Commission for approval by Director, Utilities Division by September 15, 1998. Interested parties will have until September 29, 1998, to comment on any proposal.~~ At a minimum, the residential phase-in program proposal will include specifics concerning the Affected Utility's proposed:

<b>Comment No. 20.</b>	The stricken language is moot.
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...

- C. ~~Each Affected Utility shall file a report by September 15, 1998, detailing possible mechanisms to provide benefits such as rate reductions of 3% - 5% to all Standard Offer customers.~~

<b>Comment No. 21.</b>	This matter is now moot.
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DC. All customers shall be eligible to obtain Competitive electric Services no later than January 1, 2001, at which time all customers shall be permitted to aggregate, ~~including aggregation~~ but not across service territories.

<b>Comment No. 22.</b>	See Comment No. 1. Aggregation across service territories of UDCs should not be permitted.
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~~E.D. Subject to the minimum 20% limitation described in subsection (A) of this Section, all customers who produce or purchase at least 10% of their annual electricity consumption from photovoltaic or solar thermal electric resources installed in Arizona after January 1, 1997 shall be selected for participation in the competitive market if those customers apply for participation in the competitive market.~~

<b>Comment No. 23.</b>	This matter is now moot.
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...

HF. ...

- ~~2. As part of the request, the cooperative shall propose methods to enhance consumer choice among generation resources.~~
- ~~3. The Commission shall consider whether the benefits of modifying the schedule exceed the costs of modifying the schedule.~~

<b>Comment No. 24.</b>	These conditions on modifying extension of schedules of electric cooperatives are improper and are not material to the issue of whether or not a cooperative is entitled to a modification of the schedule.
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#### **R14-2-1605. Competitive Services**

A properly certificated Electric Service Provider may offer ~~any of the following services~~ Competitive Services under bilateral or multilateral contracts with retail consumers:

[Delete subparagraphs A and B.]

<b>Comment No. 25.</b>	See Comment No. 1.
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#### **R14-2-1606. Services Required To Be Made Available**

- A. Each Affected Utility and Utility Distribution Company ~~shall~~ may, but shall not be required to, make available to all consumers ~~in that class~~ whose annual usage is 100,000 kWh or less in its service area ~~, as defined on the date indicated in R14-2-1602,~~ Standard Offer bundled generation, transmission, ancillary, distribution, and other necessary services at regulated rates. ~~After January 1, 2001, Standard Offer service shall be provided by Utility Distribution Companies who shall also act as Providers of Last Resort.~~

<b>Comment No. 26.</b>	The Legislature in HB 2663 established the usage limitation. The Rules should comply with the statutes. Since the first sentence has no time limitation, the last sentence is unnecessary and if it remained in the Rules it would have to be modified to be in compliance with HB 2663.
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- ~~B. After January 1, 2001, power purchased by a Utility Distribution Company to serve Standard Offer customers, except purchases made through spot markets, shall be acquired through competitive bid. Any resulting contract in excess of 12 months shall contain provisions allowing the Utility Distribution Company to ratchet down its power purchases. A Utility Distribution Company may request that the Commission modify any provision of this subsection for good cause.~~

<b>Comment No. 27.</b>	There should be no requirement that the electricity purchased by a UDC to serve Standard Offer customers should be purchased through competitive bid. Trico since 1962 has had a full requirements Wholesale Power Contract with AEPCO which currently expires December 31, 2020. Although the Rules force the parties to breach that contract, the damages could be partially mitigated if Trico could continue to purchase electricity from AEPCO after January 1, 2001. In the final analysis, that would not harm competition. If Trico's rates are too high because of AEPCO's wholesale rates, the customer can choose an ESP to furnish the electricity.
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B. Standard Offer Tariffs

...

C. ~~By the date indicated in R14-2-1602~~ Prior to furnishing Competitive Services, each Affected Utility shall file Unbundled Service tariffs ~~to provide the~~ for the following services ~~listed below to the extent allowed by these rules to all eligible purchasers on a nondiscriminatory basis. Other entities seeking to provide any of these services must also file tariffs consistent with these rules:~~

1. Distribution Service including metering, meter reading, billing and collection services;
2. ~~Metering and Meter Reading Services~~;
3. ~~Billing and collection services~~;
2. Open access transmission service (as approved by the Federal Energy Regulatory Commission, if applicable); and ancillary ~~5. Ancillary~~ services in accordance with Federal Energy Regulatory Commission Order 888 (III FERC Stats. & Regs., paragraph 31,036, 1996) incorporated herein by reference.

[ReNUMBER subparagraphs 6 and 7 to 3 and 4.]

D. Prior to furnishing Competitive Services, each Electric Service Provider shall file a tariff for such services which shall set forth the maximum rates for such service.

<b>Comment No. 28.</b>	See Comment No. 1.
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E. ...

G. Customer Data.

1. Upon written authorization by the customer, a Load-Serving Entity shall release in a timely and useful manner that customer's demand and energy data for the most recent 12-month period, if available, to a customer-specified Electric Service Provider.

<b>Comment No. 29.</b>	For many customers the demand data will not be available.
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...

H. ...

3. Such rates may be downwardly flexible. ~~if approved by the Commission.~~

<b>Comment No. 30.</b>	The Rules are intended to provide less expensive electricity to the customers. The Commission should not prevent competition by requiring Commission approval for a supplier of electricity to reduce its rates so that they are the same as the rates established by the market.
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...

#### **R14-2-1607. Recovery of Stranded Cost of Affected Utilities**

- A. The Affected Utilities shall take every reasonable, cost-effective measure to mitigate or offset Stranded Cost ~~by means such as expanding wholesale or retail markets, or offering a wider scope of services for profit, among others.~~

<b>Comment No. 31.</b>	The stricken language is beyond the Commission's jurisdiction.
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- B. The Commission shall allow a reasonable opportunity for recovery of all unmitigated Stranded Cost by Affected Utilities.

<b>Comment No. 32.</b>	Affected Utilities are legally entitled to a reasonable opportunity to recover all of their Stranded Costs.
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- C. The Affected Utilities shall file estimates of unmitigated Stranded Cost together with supporting data. ~~Such estimates shall be fully supported by analyses and by records of market transactions undertaken by willing buyers and willing sellers.~~

<b>Comment No. 33.</b>	Generation plants and transmission and distribution facilities are seldom bought and sold on the market. The supporting data should not require records of market transactions.
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...

- E. The Commission shall, after hearing and consideration of analyses and recommendations presented by the Affected utilities, staff, and intervenors, determine for each Affected Utility the magnitude of Stranded Cost, and appropriate Stranded Cost recovery mechanisms and charges. ~~In making its determination of mechanisms and charges, the Commission shall consider at least the following factors:~~

[Strike subparagraphs 1-11.]

<b>Comment No. 34.</b>	The Affected Utilities are entitled to an opportunity to recover all of their Stranded Costs. Stranded Costs are a form of damages. There should be no limitations or restrictions on the proof of damages or the invitation to give certain circumstances more emphasis than others as is attempted in the deleted provisions.
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...

- F. A Competitive Transition Charge (CTC) may be assessed only on customer purchases made in the competitive market using the provisions of this Article. ~~Any reduction in electricity purchases from an Affected Utility resulting from self-generation, demand side management, or other demand reduction attributable to any cause other than the retail access provisions of this Article shall not be used to calculate or recover any Stranded Cost from a consumer.~~

<b>Comment No. 35.</b>	The stricken language suggests that if there are reductions attributable to any cause other than the retail access provisions of the Rules no recovery of Stranded Cost through a CTC is permitted. There could be multiple reasons why the reduction occurs, one of which could be the Rules. There should be no reduction for such other causes.
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...

- H. The Commission may order an Affected Utility to file estimates of Stranded Cost and mechanisms to recover ~~or, if negative, to refund~~ Stranded Cost.

<b>Comment No. 36.</b>	While it is proper to reduce positive Stranded Costs by negative Stranded Costs, there is no legal basis to require an AU to refund so-called negative Stranded Costs.
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- I. The Commission may order regular revisions to estimates of the magnitude of Stranded Cost when based upon established facts.

<b>Comment No. 37.</b>	The Commission's revisions of the amount of Stranded Costs should be
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	based solely upon the applicable facts and no other reason that may be given by the Commission.
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#### **R14-2-1608. System Benefit Charges**

- A. By the date indicated in R14-2-1602, each Affected Utility or Utility Distribution Company shall file for Commission review non-bypassable rates or related mechanisms to recover the applicable pro-rata costs of System Benefits from all consumers located in the Affected Utility's or Utility Distribution Companies' service area who participate in the competitive market. Affected utilities or Utility Distribution Companies' service area who participate in the competitive market. Affected Utilities or Utility Distribution Companies shall file for review of the Systems Benefits Charge every 3 years. The amount collected annually through the System Benefits charge shall be sufficient to fund the Affected Utilities' or Utility Distribution Companies' Commission-approved low income, demand side management, market transformation, environmental, renewables, long-term public benefit research and development, and nuclear fuel disposal and nuclear power plant decommissioning programs in effect from time to time. ~~New, the Commission will approve a solar water heater rebate program: \$200,000 to be allocated proportionally among the state's Utility Distribution Companies in 1999, \$400,000 in 2000, \$800,000 in 2002, and \$1 million in 2003; the rebate will not be more than \$500 per system for Commission staff approved solar water heaters. After 2003, future Commissions may review this program for efficacy.~~

<b>Comment No. 38.</b>	The stricken language pertains to the Solar Portfolio Standard (R14-2-1609) which Trico recommends be deleted.
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~~**R14-2-1609. Solar Portfolio Standard**~~ [Strike entire rule.]

<b>Comment No. 39.</b>	Social causes should not impact the Rules. Solar energy is historically more expensive than electricity generated by other means. When solar energy becomes competitive it should have no problem competing under the Rules.
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**~~R14-2-1610~~ R14-2-1609.      Transmission and Distribution Access**

...

C.      ...

2.      The Independent Scheduling Administrator shall implement and oversee the non-discriminatory application of protocols to ensure statewide consistency for transmission access. These protocols shall include, but are not limited to, protocols for determining transmission system transfer capabilities, committed uses of the transmission system, available transfer capabilities, and Must-Run Generating Units provided such protocols with respect to Must-Run Generating Units shall be in accordance with and completely compatible with FERC regulations of such units.

<b>Comment No. 40.</b>	The Commission must recognize FERC's jurisdiction and this should be spelled out in the Rules.
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...

- H.      The Affected Utilities shall provide services from the Must-Run Generating Units to Standard Offer retail customers and competitive retail customers on a comparable, non-discriminatory basis at regulated prices. The Affected Utilities shall specify the obligations of the Must-Run Generating Units in appropriate sales contracts ~~prior to any divestiture~~. Under auspices of the Electric System Reliability and Safety Working Group, the Affected Utilities shall develop statewide protocols for pricing and availability of services from Must-Run Generating Units with input from other stakeholders. These protocols shall be presented to the Commission for review and filed with the Federal Energy Regulatory Commission, if necessary, by October 31, 1998.

<b>Comment No. 41.</b>	The stricken language indicates that the Commission has jurisdiction to
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	mandate divestiture. See Comment No. 14.
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...

**~~R14-2-1611~~ R14-2-1610. In-state Reciprocity**

**~~R14-2-1612~~ R14-2-1611 Rates**

**~~R14-2-1613~~ R14-2-1612. Service Quality, Consumer Protection, Safety, and Billing Requirements**

- A. Except as indicated elsewhere in this Article, R14-2-201 through R14-2-212, inclusive, are adopted in this Article by reference. ~~However, where the term "utility" shall pertain to Electric Service Providers providing the services described in each paragraph of §14-2-201 through R14-2-212.~~ R14-2-2-3(E) and R14-2-212(H) shall pertain only to Utility Distribution Companies.

<b>Comment No. 42.</b>	See Comment No. 1.
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...

- H. ~~No change.~~ Each Electric Service Provider shall ensure that bills rendered on its behalf include the toll free telephone numbers for billing, service, and safety inquiries and the telephone number of the Consumer Services Section of the Arizona Corporation Commission Utilities Division. ~~Each Electric Service Provider shall ensure that billing and collection services rendered on its behalf comply with R14-2-1613(A) and R14-2-1613(B).~~

<b>Comment No. 43.</b>	See Comment No. 1.
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- J. Each Electric Service Provider shall ensure that bills rendered on its behalf include its address and toll free telephone numbers for billing, service, and safety inquiries. The bill must also include the address and toll free telephone numbers for the Phoenix and Tucson Consumer Service Sections of the Arizona Corporation Commission Utilities Division. ~~Each Electric Service Provider shall ensure that billing and collections services rendered on its behalf comply with R14-2-1613(A).~~

<b>Comment No. 44.</b>	Since ESPs will not provide billing and collection services, the stricken language is inappropriate.
------------------------	--

K. Additional Provisions for Metering and Meter Reading Services.

~~1. An Electric Service Provider who provides metering or meter reading services pertaining to a particular consumer shall provide access using EDI formats to meter reading data to other Electric Service Providers serving that same consumer when authorized by the consumer.~~

21. Any person or entity relying on metering information ~~provided by another Electric Service Provider~~ may request a meter test according to the tariff on file and approved by the Commission. However, if the meter is found to be in error by more than 3%, no meter testing fee will be charged. The Utility Distribution Company shall make available to the customer or its Electric Service Provider all metering information requested at the incremental cost of providing such information.

[Renumber subparagraphs 3-7 to 2-6.]

87. Meter ownership will be limited to the Affected Utility; or Utility Distribution Company, ~~and the Electric Service Provider~~ or their representative, ~~or the customer,~~ who obtains the meter from the Affected Utility, or Utility Distribution Company ~~or an Electric Service Provider.~~

98. Maintenance and servicing of the metering equipment will be limited to the Affected Utility; or Utility Distribution Company ~~and the Electric Service Provider~~ or their representative.

109. Distribution primary voltage Current Transformers and Potential Transformers may be owned by the Affected Utility; or Utility Distribution Company ~~or the Electric Service Provider~~ or their representative.

[Renumber subparagraphs 11 and 12 to 10 and 11.]

<b>Comment No. 45.</b>	See Comment No. 1.
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~~13~~12. Delete

~~14~~13. Delete

~~1514.~~ Delete.

<b>Comment No. 46.</b>	These subsections improperly delegate to the Director of Utilities authority to promulgate Rules which must be commented upon and adopted pursuant to the APA.
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...

- O. Unbundled Billing Elements. All customer bills for Competitive Services after January 1, 1999, will list, at a minimum, the following billing cost elements.

...

3. Other Costs:
- a. ~~Metering Service,~~
  - b. ~~Meter Reading Service,~~
  - c. ~~Billing and Collection, and~~
  - d. System Benefits charge

<b>Comment No. 47.</b>	Providing unbundled costs for Standard Offer services is not necessary and the burden in requiring such information is unwarranted. As to the stricken language in subsection 3, see Comment No. 1.
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**~~R14-2-1614~~ R14-2-1613. Reporting Requirements**

A. ...

...

3. ~~Solar energy sales (kWh) and sources for grid connected solar resources; kW capacity for off grid solar resources;~~

[Renumber subparagraphs 4-12 to 3-11.]

<b>Comment No. 48.</b>	Since R14-2-1609 is stricken, the stricken language is no longer proper.
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**~~R14-2-1615~~ R14-2-1614. Administrative Requirements**

- A. Any Electric Service Provider certificated under this Article may file proposed additional tariffs for Competitive Services at any time which include a description of the service,

maximum rates, terms and conditions. The proposed new service may not be provided until the Commission has approved the tariff.

<b>Comment No. 49.</b>	See Comment No. 1.
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**~~R14-2-1616. Separation of Monopoly and Competitive Services~~**

<b>Comment No. 48.</b>	This Rule mandates divestiture which is beyond the Commission's jurisdiction. It is also beyond the jurisdiction of the Commission to prevent duly certificated AUs to serve electricity in their service areas. The Commission has no jurisdiction to require a duly certificated AU to establish affiliates to conduct the business of the AU. With respect to the distribution services made competitive by the Rules, this Rule prohibits an AU or a UDC from providing such distribution services under certain circumstances which is beyond the Commission's jurisdiction.
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**~~R14-2-1617. Affiliate Transactions~~**

<b>Comment No. 49.</b>	See Comment No. 48. This Rule should be replaced by new Rules 1615, Cross-Subsidization Prohibited, and 1616, Code of Conduct which will adequately and properly cover the subject matter that the Affiliate Rule, 1617, intended to recover.
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**~~R14-2-1618. Disclosure of Information~~**

<b>Comment No. 50.</b>	This Rule is premature and should be deleted at this time. At such time as the Commission has the information to consider adopting this Rule, it should delete all provisions therein pertaining to Standard Offer services. Many other provisions are an over-kill that changes from what should be deregulation to reregulation.
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**(NEW) R14-2-1615. Cross-Subsidization Prohibited**

Competitive Services offered by an Affected Utility, Utility Distribution Company or their affiliates, if any, shall not be subsidized by any rate or charge for any Noncompetitive Service.

**(NEW) R14-2-1616. Code of Conduct**

The Commission shall establish a Code of Conduct that shall be applicable to each Affected Utility, Utility Distribution Company or their affiliates, if any, who conduct more than one of Generation, Transmission or Distribution Services to prevent subsidization and improper communications between the two or three functions.